NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Willow Creek Timber Sale is located within Sections 36, T5N-R12W and Section 36, T4N-R11W, on the State's Anaconda Unit. Approximately 9,778 tons, consisting of beetle killed lodgepole pine sawlogs is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on April 19, 2007 at 2:00 p.m. Bids may be hand delivered or mailed and will be accepted any time prior to the bid opening. DNRC recommends that bidders contact the Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received. Bids must be accompanied by a deposit of \$10,609.00, representing 5% of the minimum bid value of the sale in cashier's check, certified check, bank money order or bank draft to be applied to the stumpage for the successful bidder. Bid bonds will be accepted and, for the successful bidder, will be closed upon execution of the Timber Sale Contract and Timber Sale Bond.

The sale will be awarded to the highest responsible bidder. If the successful bidder is unable to execute the contract within **30** calendar days from the date the sale is awarded, the bid deposit will be retained by the Department as liquidated damages. The right is reserved to reject any or all bids.

Prospective bidders can obtain the sale prospectus, sale contract and bid forms from the Department of Natural Resources & Conservation, Trust Land Management Division, in Missoula (406-542-4300), the Southwest Land Office in Missoula (406-542-4200), or the Unit Office in Anaconda, MT (406-563-6078).

Visit our website at http://www.dnrc.mt.gov Online Services for upcoming sales and bid results

/s/ David A. Groeschl, Chief Forest Management Bureau Trust Land Mgmt Division

Publication Dates: March 21, 28, April 4, 11, 2007

TIMBER SALE PROSPECTUS MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Willow Creek

Timber Sale Location: T4N, R11W, Section 36 (4 miles SE of Anaconda, MT) T5N, R12W, Section 36 (4 miles West of Anaconda, MT)

For specific sale information, contact:

Phone 406-563-6078 Brian Robbins Unit Office: Anaconda

For copies of the Timber Sale Contract and bid forms, contact:

Phone 406-542-4300 Forest Management Bureau DNRC Missoula Office

Phone 406-563-6078 Anaconda Unit Office Land Office: Southwestern

General Bidding Information

1. Bids must be submitted on standard DNRC bid forms.

- 2. Timber will be sold to the highest responsible bidder; however, the Department reserves the right to reject any or all bids.
- 3. DNRC recommends that bidders contact the Forest Management Bureau, Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.
- 4. A **bid guarantee** must accompany all bids and must be in the form of cash, cashiers check, certified check, bank money order, bank draft, surety bond or irrevocable letter of credit.
- 5. The Purchaser must submit a **performance bond** within **30** days of the sale award. It will amount to 20% or more of the bid value of the sale. The performance bond may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. The performance bond must be maintained separately from other payments for the duration of the sale contract.
- 6. The Purchaser must submit an **advance stumpage payment** prior to cutting any timber. The amount of the advance will be based on the expected harvest rate and the bid value of the stumpage. The advance may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
- 7. The Purchaser will pay Forest Improvement fees concurrently with stumpage payments.
- 8. This sale is being sold based on the gross weight of all species. Minimum price and bid price is per ton. The price is for all species, green and dead. Billing will be based on gross weight. A weight ticket from a certified scale is required for every load.
- 9. The Department has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. All delivered wood is required to be weighed. Payment will be at per ton bid rates. The Department recognizes that a percentage of delivered wood may not meet the log manufacturing and recovery standards of the timber sale contract. The actual percentage will vary based on the log manufacturing and recovery specifications of the purchaser and the tree conditions in the sale area. The actual delivered weight may also vary, resulting in an overrun or under-run of the estimated tonnage. DNRC strongly recommends that bidders evaluate these effects before bidding. Cost adjustments and stumpage credits/debits requested by the Purchaser based on actual vs. harvested volumes will not be granted.
- 10. DNRC does not conduct detailed road appraisals. All appraised costs are gross estimates or averages, provided only to show the relative amount of work required, and not its market value. Purchasers are strongly encouraged to make their own estimates based on contract requirements. Cost adjustments and stumpage credits/debits requested by the Purchaser will not be granted when based on actual vs. estimated costs.
- 11. Bidders should examine the Timber Sale Contract and sale area prior to bidding. Additional information is available at the phone numbers shown above.
- 12. Estimated stand data in this prospectus and volume estimates in the sale contract are not guaranteed.
- 13. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.

TABLE 1: Summary of Sale Specifications							
Sale Data							
196	Net Sale Area (acres)	2.78	Miles of road construction (.23 mile of temp road is optional)				
March 1, 2008	Contract ending date	.4	Miles of road reconstruction				
N/A	Cable logging required (% of volume)	0	Miles of road reclamation or abandonment				
Operating Season: Log	Operating Season: Logging 06/01/2007 – 10/15/2007; Road Construction 06/01/2007 – 9/1/2007						
Charges and Appraised Costs							
\$10,609.00	Bid Guarantee (total \$)						
20% of bid value	Performance Bond (total \$)						
\$N/A	Collected Road Maintenance And Road Use Charges (\$ per ton)						
\$2.44	Collected Forest Improvement Fee (\$ per ton) concurrent w/ stumpage						
N/A	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)						
\$46,002	Road Development Costs - Appraised Purchaser-Do (total \$)						
Included above	Road Maintenance Costs - Appraised Purchaser-Do						
N/A	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)						
N/A	Timber Stand Improvement Costs - Appraised Purchaser-Do						

TABLE 2: Timber Cruise Data and Minimum Bids									
SPECIES	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL or AVE
Minimum Acceptable Bid									\$21.70/T
Gross Cubic Feet (in thousands)				394					394
% Cull and Breakage				15					15
Net Cubic Feet (in thousands)				335					335
Pounds per cubic foot				50					50
Net tons				9,778					9,778
Gross MBF (Scribner 6" top DIB)				1,721.3					1,721.3
%Cull and Breakage				15					15
Net MBF				1,463.1					1,463.1
Average logs per MBF				21.9					21.9
Average DBH				10.15					10.15
Average tons per acre harvested in leave-tree marked units							rked units	N/A	
Average tons per acre harvested in cut-tree-marked units							rked units	49.89	
Average MBF to cut per acre on the timber sale							7.465		
Cut trees per acre based on unit cruise						146			
Calculated Sampling Error (<i>net</i> MBF): 15.17 % The total cruised volume will fall between 1,241 and 1,685 thousand net board feet in 9 out of 10 cruises									

Version 5-03 2

TABLE 3: Unit Harvest Volume and Harvest Schedule							
Unit	Section	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date		
Stumptown	36	46	2,011	271	October 15, 2007		
Willow Creek	36	150	7,767	1,192	October 15, 2007		

Additional Sale Information:

WILLOW CREEK:

- 1. Within a portion of Unit 1, Purchaser must cut, skid and pile patches of aspen as identified by the Forest Officer.
- 2. Purchaser must furnish and install 2 18"x34' CMP's. Prior to October 15, 2007 and the completion of harvest activities, these 2 CMP's are to be removed and work approved by the Forest Officer. Purchaser must also furnish and install 2 18"x30' CMP's as identified in the road log (contract attachment B).
- 3. Purchaser must furnish and install a USFS style pipe gate at the beginning of the new road construction.
- 4. Other material (non-sawlog) may be removed at a rate of \$60/load for conventional loads and \$82.50 for loads including a pup.

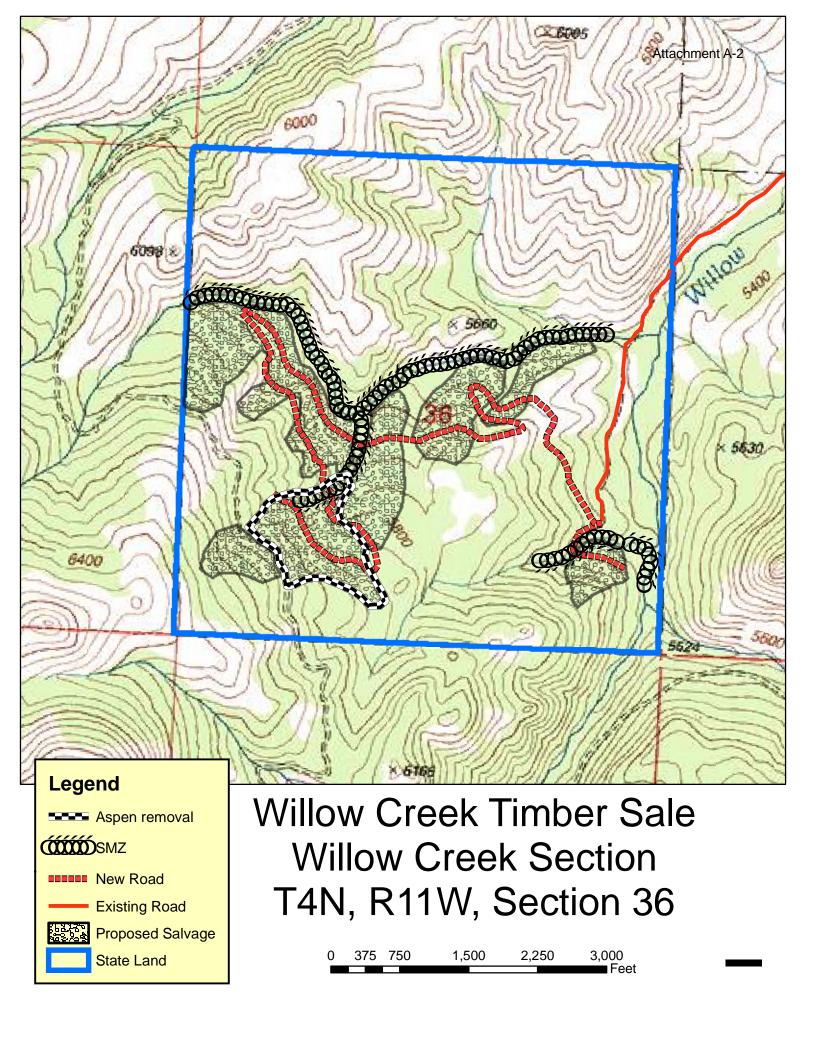
STUMPTOWN:

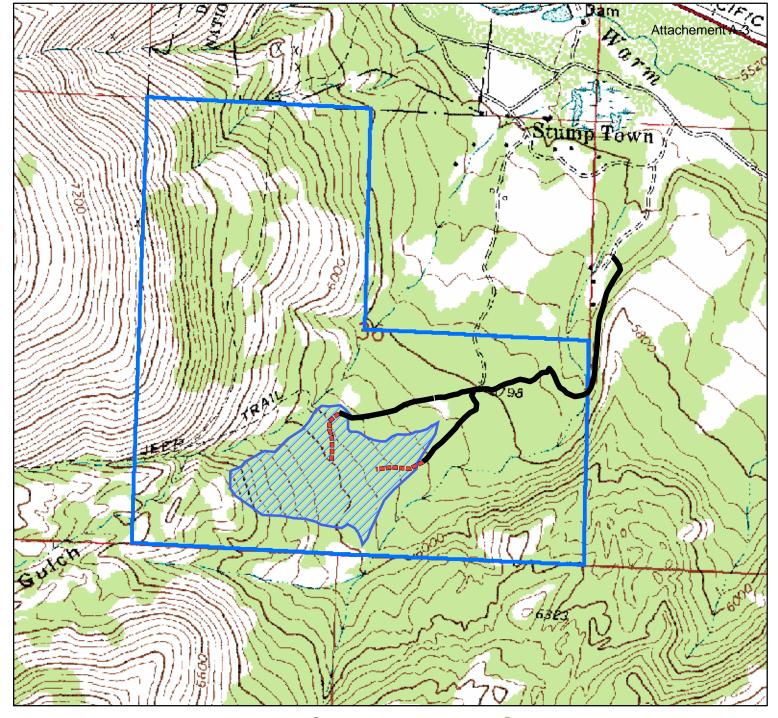
- 5. Temporary Road is optional. Purchaser may elect to skid longer distances to the existing road. Actual temp road location will be agreed upon during the pre-harvest meeting.
- 6. Non-sawlog material must be left standing and Purchaser must take care to avoid damage to non-sawlog material (especially standing aspen). There is a 3 acre Equipment Restriction Zone (ERZ) near the center of the unit. No material may be cut within the ERZ and Purchaser must not impact the ERZ.

Other Information:

- 7. Purchaser will be required to furnish 225 lbs of a grass seed mixture, as specified in the contract. Grass seed is to be delivered to the Forest Officer prior to timber sale activities.
- 8. Purchaser will be required to furnish 2 gallons of "Milestone" herbicide and 1 gallon of "R11" surfactant to the Forest Officer prior to initiation of on-the-ground timber sale activities.
- The contract duration is short and the Purchaser is required to complete logging activities prior to October 15, 2007.
 An extension WILL NOT be granted unless the reasons for such an extension are beyond the Purchaser's control (i.e. Fire Restrictions, etc.).
- 10. The Willow Creek Section is within the Mount Haggin Wildlife Management Area and is closed by DFWP between December 1 and May 1. Purchasers wishing to tour the site prior to May 1 must contact Brian Robbins at the Anaconda Unit (406-563-6078) so arrangements can be made with DFWP. Due to Spring road conditions, four-wheelers or approximate walk-in (> 1 mile) may be necessary to access the sale area.

Version 5-03





Willow Creek Timber Sale Stumptown Section T5N, R12W, Section 36

Legend

---- Temp Road (optional)

Haul Road

Harvest Unit

0 435 870 1,740 2,610 3,480 Feet

